

EXHIBIT 1

INTRODUCTION

Respondent ICN Pharmaceuticals, Inc. is a California corporation engaged in the pharmaceutical industry, headquartered in Costa Mesa, California.

In 2002, during the first semi-annual reporting period of January 1, 2002 through June 30, 2002, Respondent made \$33,981.16 in contributions, and thereby qualified as a “major donor committee” under the Political Reform Act (the “Act”).¹ As such, Respondent was required to comply with specified campaign reporting provisions of the Act.

As a major donor committee, Respondent was required by the Act to file late contribution reports disclosing its late contributions within 24 hours of making them. In this case, Respondent made two late contributions prior to the March 2002 primary election, which it failed to disclose in properly filed late contribution reports, thereby committing two violations of the Act.

For the purposes of this Stipulation, Respondent’s violations are stated as follows:

COUNT 1: Respondent ICN Pharmaceuticals, Inc. failed to disclose a \$20,000 late contribution to the Governor Gray Davis Committee in a properly filed late contribution report, by the February 22, 2002 due date, in violation of Section 84203, subdivision (a).

COUNT 2: Respondent ICN Pharmaceuticals, Inc. failed to disclose a \$8,981.16 late contribution to the Governor Gray Davis Committee in a properly filed late contribution report, by the February 28, 2002 due date, in violation of Section 84203, subdivision (a).

SUMMARY OF THE LAW

An express purpose of the Act, as set forth in Section 81002, subdivision (a), is to ensure that the contributions and expenditures affecting election campaigns are fully and truthfully disclosed to the public, so that voters may be better informed, and improper practices may be inhibited. To that end, the Act sets forth a comprehensive campaign reporting system designed to accomplish this purpose of disclosure.

¹ The Political Reform Act is contained in Government Code sections 81000 through 91014. All statutory references are to the Government Code unless otherwise indicated. The regulations of the Fair Political Practices Commission appear at California Code of Regulations, Title 2, sections 18109-18996. All regulatory references are to Title 2 of the California Code of Regulations.

Section 82013, subdivision (c) includes within the definition of “committee” any person or combination of persons who directly or indirectly makes contributions totaling ten thousand dollars (\$10,000) or more in a calendar year to, or at the behest of, candidates or committees. This type of committee is commonly referred to as a “major donor” committee.

Section 82015, subdivision (a) includes within the definition of the term "contribution" a payment made to a candidate or recipient committee for a political purpose. Under subdivision (b) of that same section, "contribution" also includes a payment made to a third party at the behest of a candidate or committee. This kind of contribution is commonly referred to as a "non-monetary contribution."

Under Section 84203, subdivision (a), when a committee makes or receives a late contribution, the committee must disclose the contribution in a late contribution report that must be filed within 24 hours of making or receiving the contribution. Section 82036 defines a “late contribution” as a contribution aggregating \$1,000 or more that is received before an election, but after the closing date of the last pre-election statement. Under Section 84200.8, subdivision (b), for an election not held in June or November of an even-numbered year, the late contribution period covers the last 16 days before the election.

Section 84215, subdivision (a) requires all major donor committees supporting statewide elected officers to file the committee’s campaign statements with the office of the Secretary of State, the Registrar-Recorder of Los Angeles County, and with the Registrar of Voters of the City and County of San Francisco.

SUMMARY OF THE FACTS

Respondent ICN Pharmaceuticals, Inc. is a California corporation engaged in the pharmaceutical industry, headquartered in Costa Mesa, California. During the first semi-annual reporting period of 2002, Respondent made \$33,981.16 in political contributions, and thereby qualified under Section 82013, subdivision (c) of the Act as a major donor committee.

COUNTS 1-2

Failure to File Late Contribution Reports

As a major donor committee, Respondent ICN Pharmaceuticals, Inc. had a duty to file late contribution reports, disclosing, within 24 hours, the late contributions that it made. The late contribution reporting period for the March 5, 2002 primary election was February 17, 2002 through March 4, 2002.

Prior to the March 5, 2002 primary election, Respondent made two late contributions, and failed to file late contribution reports disclosing the contributions. Respondent ICN Pharmaceuticals, Inc. made a late contribution of \$20,000 on February 21, 2002 to the Governor Gray Davis

Committee, and failed to file a late contribution report disclosing the \$20,000 late contribution by the February 22, 2002 due date. Additionally, Respondent ICN Pharmaceuticals, Inc. made a non-monetary late contribution of \$8,981.16 on February 27, 2002 to the Governor Gray Davis Committee, by paying a fundraising event expense to Taste and Company, and failed to file a late contribution report disclosing the \$8,981.16 non-monetary contribution by the February 28, 2002 due date.

By failing to file late contribution reports disclosing two late contributions, as set forth above, Respondent committed two violations of Section 84203, subdivision (a).

CONCLUSION

This matter consists of two counts, which carry a maximum possible administrative penalty of Ten Thousand Dollars (\$10,000).

In this matter, Respondent ICN Pharmaceuticals, Inc. failed to file two late contribution reports regarding contributions made in February 2002. Respondent ICN Pharmaceuticals, Inc. attributes its violations to being unaware of the filing obligations and deadlines associated with its campaign activity. Furthermore, Respondent disclosed the late contributions at issue in this matter in a timely filed semi-annual major donor statement. Finally, Respondent ICN Pharmaceuticals, Inc. does not have a history of any prior enforcement action being taken against it and has been cooperative with Commission staff.

Under the Enforcement Division's Streamlined Late Contribution Enforcement Program, the approved administrative penalty for failing to timely disclose late contributions is 15 percent of the amount of the undisclosed contributions. Although this case has been excluded from the Program, at Respondent's request, the late contribution reporting violations in this case do not appear to be especially aggravated, and as such, imposition of a penalty approximating that standard penalty is appropriate.

The facts of this case therefore justify imposition of the agreed upon penalty of Four Thousand Three Hundred Fifty Dollars (\$4,350).